

SECUR

SSION



12011166

OMB APPROVAL

OMB Number: 3235-0123
Expires: April 30, 2013
Estimated average burden
hours per response..... 12.00

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

Mail Processing
Section

FEB 24 2012

SEC FILE NUMBER

8-68195

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2011 AND ENDING 12/31/11
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATIONNAME OF BROKER-DEALER: Park Sutton Securities, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

295 Madison Avenue, 12th Floor

(No. and Street)

New York,NY10017

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Steven M. Levitt646-727-4826

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Michael J. Knight & Company, CPAs

(Name - if individual, state last, first, middle name)

1499 Post Road Suite 1040FairfieldCT06824

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.**FOR OFFICIAL USE ONLY**

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

Q/S
2/25

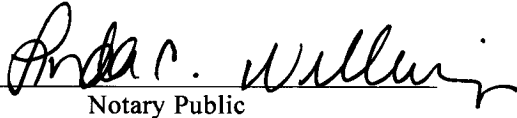
OATH OR AFFIRMATION

I, Steven M. Levitt, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Park Sutton Securities, LLC, as of December 31, 20 11, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

State of NY
County of NY
Subscribed and sworn to, under
penalties of perjury, before me
this 14th day of February 2012


Signature

Managing Member
Title


Notary Public

LINDA C. WELLINGER
Notary Public, State of New York
Kings County No. 01W6024087
Commission Expires: 5/31/15

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



1499 Post Rd, Suite 1040
Fairfield, Connecticut 06824
Tel.: (203)259-CPAS (2727)
Fax: (203) 256-CPAS (2727)
Toll Free: 1-888-MJKCPAS (655-2727)
www.mjkcpcas.com

Michael J. Knight, CPA, CVA, CFE, ABV
John M. Roller, CPA, CFE
Ryan C. Sheppard, CPA, CFF

REPORT OF INDEPENDENT AUDITOR

To the Member of
Park Sutton Securities, LLC

We have audited the accompanying statements of financial condition of Park Sutton Securities, LLC as of December 31, 2011 and 2010 and the related statements of income and changes in member's equity and cash flows for the year ended December 31, 2011 and for the period from January 8, 2010 to December 31, 2010 that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Park Sutton Securities, LLC as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the year ended December 31, 2011 and for the period from January 8, 2010 to December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information contained in Schedule I and II required by Rule 17a-5 under the Securities Exchange Act of 1934 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Michael J. Knight & Co.

Michael J. Knight & Company, CPAs
Fairfield, Connecticut
February 14, 2012

Park Sutton Securities, LLC
Statements of Financial Condition
December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Current assets		
Cash and equivalents	\$ 347,510	\$ 353,719
Accounts receivable	1,149,868	100,183
Due from affiliates	45,913	77,927
Prepaid expenses	10,834	4,667
Total current assets	<u>1,554,125</u>	<u>536,496</u>
 Property and equipment		
Office automation equipment	3,317	3,317
Accumulated depreciation	<u>(2,212)</u>	<u>(1,106)</u>
Net property and equipment	1,105	2,211
 Total assets	<u><u>\$ 1,555,230</u></u>	<u><u>\$ 538,707</u></u>
 <u>Liabilities and Member's Equity</u>		
Current liabilities		
Accounts payable	\$ 17,066	\$ -
Accrued liabilities	<u>421,000</u>	<u>13,016</u>
Total current liabilities	438,066	13,016
 Member's Equity	1,117,164	525,691
 Total liabilities and member's equity	<u><u>\$ 1,555,230</u></u>	<u><u>\$ 538,707</u></u>

See report of independent auditor and notes to financial statements.

Park Sutton Securities, LLC
Notes to Financial Statements
December 31, 2011
(See Report of Independent Auditor)

NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS

Park Sutton Securities, LLC (the “Company”) is a registered broker-dealer with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority, Inc. (FINRA). The Company is an independent New York based boutique investment bank which provides an array of financial services to the asset and wealth management industry. The Company received its FINRA approval for membership in 2010. The Company is exempt from Rule 15c3-3 of the SEC under paragraph (k)(2)(i) of that rule.

The Company’s sole member is Park Sutton Holdings, LLC (“PSH”). In addition to the Company, PSH is 100% owner of Park Sutton Advisors, LLC (“PSA”) and Park Sutton Services, LLC (“PSS”). Both of these companies share common management with the Company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The Company maintains its books and records on the accrual basis of accounting for financial reporting purposes, which is in accordance with U.S. generally accepted accounting principles and is required by the SEC and FINRA. The financial statements include only the assets and liabilities of the Company and are not combined with the related companies. Regulatory requirements require that the broker-dealer of securities be reported separately.

Cash and equivalents – For the purposes of the statement of cash flows, the Company considers cash in banks and all highly liquid debt instruments with maturity of three months or less to be cash equivalents. The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

Revenue recognition – Revenues from investment banking services are recognized when the transaction is signed or the closing is imminent. Non-refundable retainers are recognized as revenue in accordance with the terms of the contract and are applied against transaction fees upon closing, if applicable.

Use of accounting estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to the estimated amounts are recognized in the year in which such adjustments are determined.

Accounts receivable - Accounts receivables are carried at cost or have been written down to net realizable value. No allowance for uncollectable accounts is required at December 31, 2011. Management evaluates each receivable on a case-by-case basis for collectability and they write the receivable down to net realizable value.

Property and equipment - Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Asset lives are three years for office automation equipment. The Company follows the policy of capitalizing all major additions, renewals and betterments. Minor replacements, maintenance, and repairs are expensed currently.

Advertising – The Company policy is to expense advertising as incurred.

Income taxes – The Company is a limited liability company treated as a disregarded entity. Accordingly, in lieu of Federal and state income taxes, the member is taxed on their proportionate share of the Company’s taxable income. Therefore, no provision or liability for Federal or state taxes has been included in these financial statements.

Park Sutton Securities, LLC
Notes to Financial Statements
December 31, 2011
(See Report of Independent Auditor)

The Company has adopted FASB Accounting Standards Codification 740 for accounting for uncertain tax positions. The standard prescribes how an entity should measure, recognize, present and disclose positions that it has taken or expects to take on its income tax returns. Park Sutton Holdings, LLC and the Company regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements and believes that in the event of an examination by taxing authorities, its positions would prevail based upon the technical merits of such positions. Therefore, the Company has concluded that no tax benefits or liabilities are required to be recognized. The Company's sole member's tax return remains subject to examination by the appropriate taxing jurisdiction since inception of the Company.

NOTE 3 – EXPENSE SHARING AGREEMENT

The Company has an expense sharing agreement with its two sister companies, PSA and PSS whereby expenses common to operating the companies are shared among them. The agreement calls for the Company to share rent and other occupancy costs as well as administrative costs using a formula of 33%. This agreement was in effect for 2010, but was substantially modified in 2011 as the two sister companies activities were substantially reduced to the point whereby they could not adhere to the arrangement. Effective January 1, 2012, the Company is paying substantially all expenses and all liquid funds have been transferred from the sister companies to the Company. The due from affiliate account has been reduced to net realizable value from liquid assets as of December 31, 2011.

Shared occupancy expense for the year ended December 31, 2011 and 2010 was \$76,338 and \$30,644, respectively. Administrative costs are shared using a formula of 33% of the monthly total of expenses. The lessee for the shared office space is PSS.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Company has advanced \$45,913 to its two sister companies. This is a non-interest bearing advance.

NOTE 5 – CONCENTRATIONS

The Company has several contracts with clients that generate more than 10% of total annual revenues, while there is a single client that represents 67% of total revenue for 2011. At December 31, 2011, a receivable from one client represents 85% of the total.

As of December 31, 2011 the Company's cash in bank exceeds federally insured limits by \$105,797.

NOTE 6 – NET CAPITAL REQUIREMENT

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital; ratio would exceed 10 to 1. At December 31, 2011, the Company had net capital of \$291,444, which was \$286,444 in excess of its required net capital of \$5,000. The Company's ratio of indebtedness to net capital was 150.32%.

NOTE 7 – SUBSEQUENT EVENTS

In accordance with FASB Accounting Standards Codification 855, Subsequent Events, the Company has evaluated subsequent events to the Statement of Financial Position date of December 31, 2011 through February 14, 2012, which is the date the financial statements were issued. Management has determined that there are no subsequent events that require disclosure.